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DOI <https://doi.org/10.26661/2414-0287-2023-2-58-18>**DEVELOPMENT OF NEW PRODUCTS AT ENTERPRISES CONFECTIONERY INDUSTRY****Kharchenko V.V., Lynenko A.V.***Zaporizhzhia National University**Ukraine, 69600, Zaporizhzhia, Zhykovsky str., 66*

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The transformation processes in Ukraine's economy, first associated with the pandemic, then with the full-scale Russian-Ukrainian war and the global trend towards digitalization, are putting forward new requirements for restructuring the market structure with a focus on innovation. Therefore, the development of new products is one of the most important strategies for companies in any industry. This is especially important in the confectionery industry, as the industry itself is dynamic and rapidly developing, and consumers are constantly looking for new flavors and shapes of products. Developing new products requires not only considerable effort, but also creativity and innovative approaches. In view of this, the confectionery industry in Ukraine is characterized by a high level of competition, in terms of new product launches. Successful development and promotion of new products requires a thorough market analysis, study of demand and market acceptance of the new product. However, these measures are necessary to maintain and gain more favorable market positions in today's fierce competition. This research article examines the process of developing new products at Ukrainian confectionery enterprises and substantiates the main stages of this process. Today, most confectionery products are at the stage of maturity in their life cycle, so enterprises in this sector of the economy need to constantly develop new products, updating their assortment, satisfying the most demanding consumers to maintain their competitive position and ensure sustainable economic development.

**РОЗРОБКА НОВИХ ТОВАРІВ НА ПІДПРИЄМСТВАХ
КОНДИТЕРСЬКОЇ ПРОМИСЛОВОСТІ УКРАЇНИ****Харченко В.В., Линенко А.В.***Запорізький національний університет**Україна, 69600, м. Запоріжжя, вул. Жуковського, 66***Ключові слова:**інноваційна діяльність,
кондитерська промисловість,
маркетингова стратегія,
новий товар,
унікальна торгова пропозиція

Трансформаційні процеси в економіці України, пов'язані спочатку з пандемією, потім із повномасштабною російсько-українською війною та загальносвітовою тенденцією до діджиталізації, висувають нові вимоги до перебудови ринкової структури з орієнтацією на інноваційний напрям розвитку. Тому розробка нових товарів є однією з найважливіших стратегій підприємств у будь-якій галузі. В кондитерській промисловості це особливо важливо, оскільки сама галузь є динамічною зі швидкими темпами розвитку, до того ж, споживачі постійно шукають нові смаки та форми продуктів. Розробка нових товарів потребує від підприємства не лише значних зусиль, але й креативності, інноваційних підходів. Зважаючи на це кондитерська промисловість України характеризується високим рівнем конкуренції, зокрема щодо впровадження нових товарів. Успішна розробка та просування нових продуктів вимагають від підприємства ретельного аналізу ринку, вивчення попиту та здатності ринку прийняти новий продукт. Але ці заходи необхідні для втримання та завоювання більш вигідних позицій на ринку в умовах сьогоденної жорсткої конкурентної боротьби. В цій науковій статті досліджено процес розробки нових товарів на підприємствах кондитерської промисловості України й обґрунтовано основні етапи цього процесу. Адже сьогодні більшість товарів кондитерської промисловості знаходяться на етапі зрілості в їхньому життєвому циклі, тому підприємствам цієї галузі економіки для збереження своїх конкурентних позицій і забезпечення сталого економічного розвитку необхідно постійно розробляти нові товари, оновлюючи свій асортимент, задовольняючи найвибагливіших споживачів.

Statement of the problem

In recent years, confectionery companies have faced serious challenges due to global changes, the pandemic, and the Russian-Ukrainian war. The economic and political crises in the country have led to a drop in demand for products and, as a result, a decrease in production and sales. In this environment, competition between confectionery manufacturers is becoming increasingly fierce. Therefore, companies need to respond flexibly and quickly to changes in the market situation, create, and maintain their competitive advantages. All of this determines the special role of innovative marketing in the activities of companies in this industry. Innovative marketing consists in the introduction of product innovations, creation of new more efficient distribution channels, and use of new methods of product promotion [1]. The development of new products in the process of marketing activities enables an enterprise to apply a strategy of differentiation or diversification, strengthen its position in existing and enter new market segments, and increase customer loyalty.

Analysis of recent studies and publications

The rapid development of the confectionery market, COVID-19 and the Russian-Ukrainian war have stimulated the expansion of the product range of confectionery companies. Today, there are many interesting studies related to the analysis of the confectionery market. Among the domestic works, we note the works of A. Zagrychanska and V. Golyuk, who studied the market participants in detail [2]. G. Razumova and O. Oskoma focused on the prospects for the development of the confectionery industry [3]. L. Satyr, V. Kepko and L. Stadnik studied this topic even more thoroughly, investigating commodity expertise in the trade of flour confectionery products [4]. O. Vlasenko studied marketing technologies for identifying the consumer profile in the confectionery market [5]. I. Savchuk analyzed the activities of the main players in the confectionery market [6]. General aspects and trends in the development of the confectionery market of Ukraine were revealed by A. Smagliuk, A. Nadochiy [7] and O. Tobolin [8], as well as many other researchers.

The availability of so many works in this area allows us to conclude that the confectionery market requires constant study and justification of development prospects. The issue of introducing new products to the confectionery market of Ukraine during a pandemic and full-scale war is still insufficiently studied.

Objectives of the article

The article is aimed at defining the peculiarities of modern innovations in the process of developing new products in the confectionery industry market on the example of PrJSC "Kyiv Confectionery Factory "Roshen".

The main material of the research

Confectionery products are sweets with high nutritional value, striking visual design and unique flavor. The main raw material to produce confectionery is sugar and its substitutes. Among the general identifiers of the range

and quality characteristics of confectionery products, organoleptic characteristics play an important role, including appearance (color, shape, surface texture), taste and smell, internal structure (appearance when cut, torn, porosity, bulge, etc.) and texture. All of this affects demand within the confectionery market and necessitates a detailed study of this topic.

Restrictions on trade with the Russian aggressor, which used to be one of the most attractive foreign markets, have led to a decline in confectionery exports. Prices for confectionery products continue to rise because of rising energy costs and imported raw materials due to the devaluation of the national currency. The confectionery industry in Ukraine is also affected by other factors, which are described below (Figure 1).

High costs of research and development of new products. For example, the development and introduction of new technologies and products may require significant expenditures on research and development, market analysis, prototyping, etc.

Competition. The confectionery industry in Ukraine is highly competitive, and it is difficult for relatively small businesses to compete with large players in this market. Marketing challenges. Not all new products can be successful in the market, sometimes a new product may not appeal to consumers or find its place among existing products. Seasonality. The confectionery industry has seasonal fluctuations in demand for products, which can make it difficult to introduce new products.

Lack of qualified personnel. The introduction of new technologies and products may require qualified personnel, which is currently lacking in the confectionery industry, and many specialists have left the country since the start of the full-scale Russian-Ukrainian war.

Important issues today are related to the analysis of the confectionery market during the COVID-19 pandemic and the full-scale Russian-Ukrainian war. The number of participants in the Ukrainian confectionery market varies from 200 to 800 business entities [7]. In order to maintain or increase the level of sales at an enterprise, it is necessary to replace old products with new ones, i. e. to develop and introduce them into production. Enterprises that could create new products to meet new needs have significant advantages in order to win in a competitive environment. A new product is a product that has entered the market and differs from existing products of a similar purpose by any change in consumer properties [2].

The decision to develop new products by an industrial enterprise depends mainly on the innovation culture, the role of top management, communication and technological trends, involvement of middle management in the evaluation process, systematic study of the need for innovation and technology, and proper allocation of resources.

Active innovation activity of business entities is an essential prerequisite for ensuring their competitiveness. At the same time, it is important to ensure synchronization of the process of introducing product and process innovations, especially in the consumer goods market (business to customer sector) [8]. Excessive enthusiasm for minor product improvements without changes in the

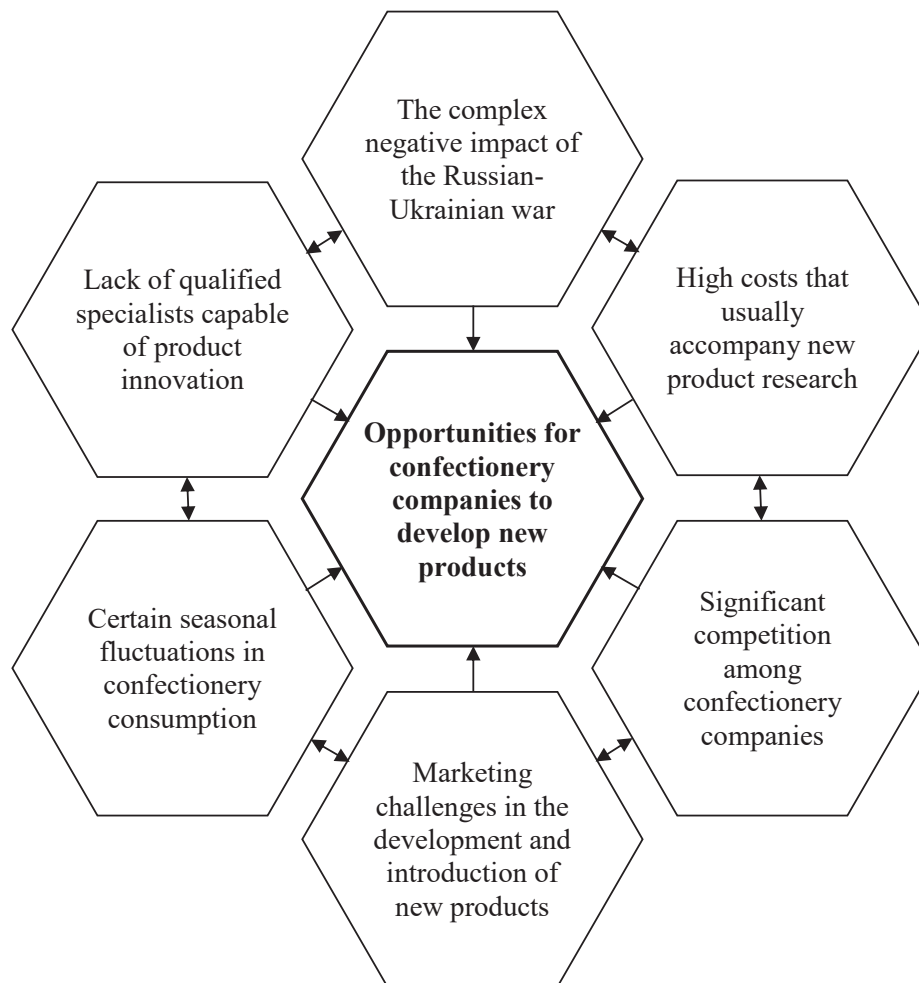


Fig. 1 – Unfavorable factors affecting the ability of Ukrainian confectionery companies to develop new products

technological base of the enterprise may ultimately lead to a loss of consumer confidence, as in most cases they are unable to objectively feel the “incremental” improvements in consumer properties of the product mentioned in advertising messages, especially when it comes to organoleptic properties (aroma, taste, etc.).

The current structure and conditions of the domestic confectionery market indicate that there are prerequisites for adjusting the culture of consumption of the relevant products. We are talking about bar chocolate, as until today there was no Ukrainian school of chocolate making – all Soviet-era “unified recipes” were developed in a sectoral research institute of union significance. At the same time, from the point of view of European traditions, “Soviet bar chocolate” can only be described as a type of sweet dessert, given the ratio of ingredients in the recipe [9].

Given the situation in the domestic confectionery industry, PrJSC “Kyiv Confectionery Factory “Roshen” has been working for a long time to improve both the technology and the range of chocolate products manufactured at the company’s production facilities. The general goal of the R&D process was to launch the production of domestic import-substituting products that would simultaneously consider both the classical principles of forming a flavor bouquet of chocolate bars from leading

European manufacturers and the taste preferences of the Ukrainian population [4].

Analyzing the state of the confectionery market in Ukraine, it is worth noting the broad prospects for the development of the domestic chocolate industry, as the current level of per capita consumption in the country has great potential for growth (with the future improvement in the welfare of the population because of the post-war economic recovery). The latest technologies to produce finished products provide a strong competitive advantage in the food industry. This makes commodity (product) and process (technological) types of innovation development the most effective for companies in this industry. These two types of innovations ensure the growth of company profits and efficiency.

At the same time, product innovations affect the growth of sales, while technological innovations significantly save production costs. However, the innovative development of a company should be considered in conjunction with marketing innovations and innovations in the field of intellectual and infrastructural development [6].

It is interesting that the relevance of investment development is manifested both in conditions of stability and prosperity of the country and in the conditions of financial crisis. It should be noted that the innovative

development of an enterprise should be defined as a process of directed and natural change in the state of an enterprise, which depends on the innovative potential of this enterprise and is driven by innovations that create qualitatively new opportunities for further activities of the enterprise in the market through the implementation and ability to find new solutions and ideas because of inventions. Innovations are created by the majority of enterprises in the global economy. However, a small number of them can be called truly innovative [10].

The main difference between innovative enterprises is that they focus on changes that become the norm for their activities. For its development and necessary strategy, an innovative enterprise focuses in advance on the search for constant work on new goods and services, i. e. simultaneously with the production of new products, there is a planned preparation of future novelties.

The development of a new product in the confectionery industry is a complex and multi-stage process that involves analyzing the market and competitors, creating a new product concept, developing a recipe and experimental testing, testing the product on the market, defining a marketing strategy and analyzing sales results.

Successful development of a new product in the Ukrainian confectionery industry requires considering consumer needs, taste preferences and trends in the confectionery market. In addition, it is important to study competitors and their products to differentiate yourself from them and determine your place in the market. The development of new products can be an important element of a company's development and ensure its success in the market. However, to achieve this, it is necessary to invest time, effort, and resources in the process of developing and marketing new products.

Conclusions

Thus, according to the study, innovations in the development of new products are of particular importance in the context of high competition and limited purchasing power of the target markets for confectionery products, which is also an important factor in the competitiveness of confectionery enterprises in Ukraine. The development of new product innovations is a complex, multi-stage process that begins with an assessment of innovation needs based on an analysis of target market expectations and the nature of competition.

Assessment of the innovative potential of the enterprise and its individual components is also important in the process of managing innovative marketing. Planning innovative marketing activities is closely linked to the strategic development of the enterprise. Innovative marketing has long been an integral part of the development of companies in the confectionery industry. Companies with sufficient innovative potential are constantly updating their product range, expanding, and introducing new sales channels, and using a variety of product promotion tools.

Active production and promotion of new food products is possible only because of innovation, including scientific substantiation of new products, improvement of equipment, technological resources, and forms of production organization. Innovation is one of the most effective ways to succeed in business in a fiercely competitive environment.

By creating a new product category, you can become a leader in this segment. In this regard, the production of products with unique advantages, which include innovative food products, requires capturing and retaining new market segments, identifying needs, and developing products that are in demand in the consumer market. An innovation must bring added value to the customer, be necessary and useful to him or her.

To this end, it is necessary to develop a communication model of interaction with the customer. To create an innovative product, a company does not necessarily need to have large financial resources. Innovative ideas are possible and necessary not only in the field of production, but also in the methods of promotion, especially when launching new products. New products should be attractive to consumers and have unique advantages over their analogues. Effective promotion methods include digital technologies (search engine optimization, referral marketing, content marketing, social media marketing, online advertising, SMS-mailing), advertising (online advertising, in-store advertising, outdoor, TV and radio advertising), as well as direct and indirect means of promotion.

Prospects for further research lie in identifying effective methods of promoting innovative food products for specific target segments of the confectionery industry in Ukraine. The development of the concept of innovative development of confectionery industry enterprises requires further research.

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